

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**TWENTY FIFTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
NOVEMBER 1, 2020 THROUGH FEBRUARY 28, 2021**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention:	December 19, 2018, <i>nunc pro tunc</i> to October 25, 2018
Period for which compensation and reimbursement is sought:	November 1, 2020 through February 28, 2021
Monthly Fees Incurred:	\$39,085.00
Monthly Expenses Incurred:	\$0.00
Total Fees and Expenses:	\$39,085.00

This is a: X monthly _____interim _____final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from November 1, 2020 through and including February 28, 2021 (the “**Twenty Fifth Fee Period**”) amount to:

Professional Fees	\$39,085.00
Expenses	<u>0.00</u>
TOTAL	<u>\$39,085.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$31,268.00
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$31,268.00</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Twenty Fifth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Twenty Fifth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Twenty Fifth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Twenty Fifth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Twenty Fifth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Twenty Fifth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than April 29, 2021 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
April 14, 2021

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
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EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY PROFESSIONAL****FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021**

Professional	Position	Specialty	Billing Rate¹	Total Hours	Total Fees
Nelson, Cynthia A	Sr Managing Dir	Retail	\$ 1,120	0.6	\$ 672.00
Star, Samuel	Sr Managing Dir	Restructuring	1,165	0.7	815.50
Diaz, Matthew	Sr Managing Dir	Restructuring	1,105	7.7	8,512.00
Eisler, Marshall	Senior Director	Restructuring	875	12.7	11,112.50
Kim, Ye Darm	Sr Consultant	Restructuring	635	22.7	14,414.50
Shapiro, Jill	Consultant	Restructuring	438	7.8	3,418.50
Hellmund-Mora, Marili	Project Asst	Restructuring	280	0.5	140.00
TOTAL				52.7	\$ 39,085.00

¹Rates reflect blended billing rates of professionals during the period. New billing rates were effective as of 1/1/2021.

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021**

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	6.9	\$ 5,802.50
3	Financing Matters (DIP, Exit, Other)	12.5	\$ 8,489.50
4	Trade Vendor Issues	0.7	\$ 590.00
5	Real Estate Issues	0.6	672.00
11	Prepare for and Attend Court Hearings	1.1	\$ 1,193.50
17	Wind Down Monitoring	4.5	3,184.50
18	Potential Avoidance Actions & Litigation	16.6	13,615.00
20	General Meetings with Debtor & Debtors' Professionals	1.0	552.50
21	General Mtgs with UCC & UCC Counsel	1.1	632.50
23	Firm Retention	0.9	562.00
24	Preparation of Fee Application	6.8	3,791.00
TOTAL		52.7	\$39,085.00

EXHIBIT C
SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
DETAIL OF TIME ENTRIES
FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021

Task Category	Date	Professional	Hours	Activity
1	1/21/2021	Star, Samuel	0.2	Review court status report re: administrative claims and available cash for distribution.
1	1/21/2021	Diaz, Matthew	0.7	Review the status update report filed with the court.
1	1/21/2021	Kim, Ye Darm	0.5	Review latest status report filed by the Debtors.
1	1/22/2021	Diaz, Matthew	0.7	Review the updated status report and reconcile to the previous ones.
1	1/22/2021	Eisler, Marshall	1.2	Review status report filed with the court detailing current administrative funding gap.
1	1/22/2021	Kim, Ye Darm	0.3	Participate on call with team re: case status, including sources to cover remaining administrative claims and deliverables for UCC.
1	1/22/2021	Shapiro, Jill	0.3	Review status report filed with court re: administrative claims and related funding gap.
1	1/22/2021	Shapiro, Jill	0.3	Participate on call with team re: case status, including sources to cover remaining administrative claims and deliverables for UCC.
1	1/22/2021	Star, Samuel	0.3	Participate on call with team re: case status, including sources to cover remaining administrative claims and deliverables for UCC.
1	1/26/2021	Kim, Ye Darm	0.9	Review status update and cash flow forecast and prepare diligence questions for M-III.
1	1/29/2021	Eisler, Marshall	1.2	Review status report chart detailing effective date funding gap.
1	2/3/2021	Kim, Ye Darm	0.3	Participate in call re: status update key points.
1 Total			6.9	
3	2/23/2021	Kim, Ye Darm	0.7	Review issues re: litigation funding.
3	2/24/2021	Kim, Ye Darm	0.5	Participate in call re: litigation funding.
3	2/24/2021	Kim, Ye Darm	0.6	Analyze materials re: litigation funding.
3	2/24/2021	Kim, Ye Darm	0.3	Continue to review issues re: litigation funding.
3	2/24/2021	Kim, Ye Darm	2.8	Prepare analysis re: litigation funding.
3	2/25/2021	Kim, Ye Darm	0.8	Participate in call re: litigation funding.
3	2/25/2021	Kim, Ye Darm	0.5	Participate in call re: litigation funding.
3	2/25/2021	Kim, Ye Darm	2.3	Update analysis re: litigation funding.
3	2/25/2021	Kim, Ye Darm	0.6	Process updates to analysis re: litigation funding.
3	2/25/2021	Eisler, Marshall	0.6	Evaluate issues re: litigation funding.
3	2/26/2021	Kim, Ye Darm	0.4	Process revisions to litigation funding analysis.
3	2/26/2021	Kim, Ye Darm	0.7	Prepare responses to Counsel's questions re: litigation funding analysis.
3	2/26/2021	Eisler, Marshall	1.7	Review analysis re: litigation funding.
3 Total			12.5	
4	1/14/2021	Diaz, Matthew	0.3	Review objection to the Pearl substantial contribution claim.
4	1/21/2021	Kim, Ye Darm	0.4	Review letter filed by Wander/Orient Craft re: post-confirmation status update.
4 Total			0.7	
5	1/26/2021	Nelson, Cynthia A	0.5	Review proposed asset sales by Debtors.
5	1/27/2021	Nelson, Cynthia A	0.1	Review updated information from broker regarding sale of parcel.
5 Total			0.6	
11	11/17/2020	Diaz, Matthew	0.5	Review correspondence related to 11/18 hearing.
11	11/21/2020	Diaz, Matthew	0.3	Review correspondence from counsel re: hearing update.
11	12/10/2020	Diaz, Matthew	0.3	Review correspondence on outcome of 11/18 hearing.
11 Total			1.1	
17	11/20/2020	Diaz, Matthew	0.3	Review correspondence from counsel re: case developments.
17	1/14/2021	Diaz, Matthew	0.6	Review recovery analysis.
17	1/21/2021	Shapiro, Jill	0.6	Review and analyze status report.
17	1/29/2021	Kim, Ye Darm	0.5	Update diligence question list re: status report and send to M-III.

EXHIBIT C
SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
DETAIL OF TIME ENTRIES
FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021

Task Category	Date	Professional	Hours	Activity
17	2/1/2021	Kim, Ye Darm	0.3	Prepare summary of notes and draft email re: call with M-III on status report.
17	2/2/2021	Kim, Ye Darm	0.8	Review updated cash flow forecast.
17	2/2/2021	Kim, Ye Darm	0.7	Prepare notes on cash flow forecast for UCC call re: status update.
17	2/2/2021	Kim, Ye Darm	0.7	Draft talking points for UCC call re: status update.
17 Total			4.5	
18	11/25/2020	Diaz, Matthew	0.3	Research and provide response to counsel re: litigation.
18	12/4/2020	Diaz, Matthew	0.4	Review correspondence related to the Transform turnover motion.
18	1/4/2021	Kim, Ye Darm	2.9	Review insider holdings of Sears Holding Corporation.
18	1/5/2021	Shapiro, Jill	0.5	Review insider holders at time of pre-petition transactions.
18	1/6/2021	Kim, Ye Darm	0.9	Review complaint source documents.
18	1/18/2021	Eisler, Marshall	1.0	Research diligence request from counsel.
18	1/26/2021	Eisler, Marshall	1.2	Review status report chart detailing effective date funding gap.
18	1/29/2021	Eisler, Marshall	2.1	Respond to diligence question from counsel re: pre-petition transactions.
18	2/2/2021	Kim, Ye Darm	1.1	Review counsel's draft presentation re: litigation.
18	2/3/2021	Diaz, Matthew	1.9	Review the Akin Sears litigation update presentation.
18	2/3/2021	Eisler, Marshall	3.1	Prepare for monthly UCC call.
18	2/17/2021	Kim, Ye Darm	0.6	Prepare response for Counsel re: shares outstanding.
18	2/23/2021	Eisler, Marshall	0.6	Analyze key issues re: litigation funding.
18 Total			16.6	
20	2/1/2021	Kim, Ye Darm	0.5	Participate in call with M-III re: status update.
20	2/1/2021	Shapiro, Jill	0.5	Participate in call with M-III re: status update.
20 Total			1.0	
21	2/3/2021	Kim, Ye Darm	0.3	Participate on call w/ counsel re: UCC call catch up.
21	2/4/2021	Kim, Ye Darm	0.4	Participate in UCC call re: status update.
21	2/4/2021	Shapiro, Jill	0.4	Participate in UCC call re: status update.
21 Total			1.1	
23	1/7/2021	Shapiro, Jill	0.5	Prepare rate change notice.
23	1/8/2021	Star, Samuel	0.2	Review supplemental declaration for rate changes.
23	1/8/2021	Shapiro, Jill	0.2	Finalize rate change notice.
23 Total			0.9	
24	11/3/2020	Shapiro, Jill	0.2	Prepare July fee statement to meet fee examiner guidelines.
24	11/3/2020	Shapiro, Jill	0.3	Prepare August fee statement to meet fee examiner guidelines.
24	12/7/2020	Diaz, Matthew	0.4	Review October fee statement.
24	12/7/2020	Shapiro, Jill	0.6	Prepare October fee statement.
24	12/8/2020	Hellmund-Mora, Marili	0.5	Update and finalize October fee statement.
24	12/8/2020	Shapiro, Jill	0.3	Prepare October Fee Statement to meet fee examiner guidelines.
24	12/8/2020	Shapiro, Jill	1.7	Prepare Sixth Interim Fee Application.
24	12/9/2020	Shapiro, Jill	0.6	Prepare updates to Sixth Interim Fee Application.
24	12/10/2020	Diaz, Matthew	0.7	Review Sears Sixth Interim Fee Application.
24	12/10/2020	Shapiro, Jill	0.6	Process updates to Sixth Interim Fee Application.
24	12/11/2020	Shapiro, Jill	0.2	Finalize Sixth Interim Fee Application.
24	2/1/2021	Diaz, Matthew	0.3	Review the Sears proposed interim order.
24	2/1/2021	Kim, Ye Darm	0.4	Review interim payment numbers for Sixth interim fee order.
24 Total			6.8	
Grand Total			52.7	

EXHIBIT D

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF EXPENSES
FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021**

Expense Type	Amount
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Not Applicable in this month.

EXHIBIT E

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

EXPENSE DETAIL

FOR THE PERIOD NOVEMBER 1, 2020 TO FEBRUARY 28, 2021

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				